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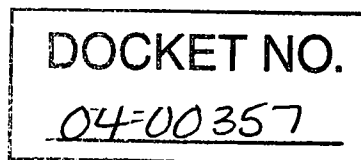
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T.R.A. DOCKET ROOM

October 15, 2004

**VIA HAND DELIVERY**

Pat Miller, Chairman  
c/o Sharla Dillon  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37219



Re: Joint Petition of Southwestern Bell Communications Services, Inc. and SBC Telecom, Inc. d/b/a SBC Long Distance for Approval of Internal Corporate Restructuring and Transfer of Assets to SBC Long Distance LLC

Dear Chairman Miller:

Enclosed you will find the original and thirteen copies of the above referenced Petition of Southwestern Bell Communications Services, Inc. d/b/a SBC Long Distance and SBC Telecom, Inc. for Approval of Internal Corporate Restructuring and Transfer of Assets and a check for \$25.00 for the filing fee.

Please contact me if you need additional information.

Sincerely,

*D. Billye Sanders*  
D. Billye Sanders

DBS/hmd

cc: John di Bene, Esq.  
Steve Strickland, Esq.  
Norman W. Descoteaux

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**IN RE: )  
JOINT PETITION OF )  
SOUTHWESTERN BELL )  
COMMUNICATIONS SERVICES, )  
INC. D/B/A SBC LONG DISTANCE )  
AND SBC TELECOM, INC. )  
FOR APPROVAL OF INTERNAL )  
CORPORATE RESTRUCTURING )  
AND TRANSFER OF ASSETS )  
TO SBC LONG DISTANCE LLC )**

**DOCKET NO. 04-\_\_\_\_\_**

**JOINT PETITION**

Pursuant to T.C.A. § 65-4-112, Southwestern Bell Communications Services Inc., d/b/a SBC Long Distance ("SBCLD") and SBC Telecom, Inc. ("SBCT") seek approval of an internal corporate restructuring whereby SBCLD will convert from a corporation to a limited liability company, to be known as SBC Long Distance LLC ("SBCLD LLC"), and the assets of SBCT, including its certificate of public convenience and necessity (CCN) will be transferred to SBCLD LLC. SBCLD and SBCT are both wholly-own subsidiaries of SBC Communications, Inc. The proposed restructuring, which will occur in a series of steps that are described below, constitutes an internal corporate restructuring and does not involve a change of the ultimate control of the entity that will hold the authority granted by the TRA. In support of their Joint Petition for approval of the restructuring, the Petitioners provide the following information.

1. Description of the Petitioners

The full names and addresses of the Petitioners are:

Southwestern Bell Communications Services, Inc.  
5850 W. Las Positas Blvd. NE 137  
Pleasanton, CA 94588  
Telephone: (925) 468-6209  
Facsimile: (707) 435-6640

SBC Telecom, Inc.  
1010 North St. Mary's  
Room 14-J  
San Antonio, TX 78215  
Telephone: (210)-246-8430  
Facsimile: (210) 246-8699

Correspondence and other communications pertaining to this application  
should be directed to:

D. Billye Sanders  
Waller Lansden Dortch & Davis  
A Professional Limited Liability Company  
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Nashville, TN 37219-8966  
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Pleasanton, CA 94588  
Tel. No.: (925) 251-7410  
Fax. No.: (925) 468-5543  
E-mail address: [jd3235@camail.sbc.com](mailto:jd3235@camail.sbc.com)

Steve Strickland, Esq.  
General Counsel  
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San Antonio, TX 78215  
Telephone: (210) 246-8430  
Facsimile: (210) 246-8699  
E-mail: [ss0528@sbc.com](mailto:ss0528@sbc.com)

Norman W. Descoteaux  
Associate Director – Regulatory  
Southwestern Bell Communications Services, Inc.  
5850 W. Las Positas Blvd., NE137  
Pleasanton, CA 94588  
Telephone: (925) 468-6209  
Facsimile: (707) 435-6640  
E-mail: [nd1639@ca.mail.sbc.com](mailto:nd1639@ca.mail.sbc.com)

SBCLD is a corporation organized under the laws of the State of Delaware. SBCLD is a wholly-owned subsidiary of SBC Communications, Inc. ("SBC") and SBCLD has no subsidiaries. SBCLD is certified by the Tennessee Regulatory Authority ("TRA") to provide competitive facilities-based and resold local exchange telecommunications services, exchange access services, operator services, and resold intrastate interexchange telecommunications services within the State of Tennessee. SBCLD was issued authority to provide resold intrastate interexchange and operator services in Tennessee on July 9, 1997 in TRA Docket Numbers 97-0947 and 97-01410. On July 23, 2004, in TRA Docket Number 04-00069, SBCLD was granted authority to provide competitive facilities-based local exchange telecommunications services, exchange access services, operator services and resold local exchange services and its existing interexchange authority was combined into that certificate.

SBCLD will "convert" into SBCLD LLC, a limited liability company, pursuant to DEL. CODE ANN. tit. 8, § 266. Under Section 266(d), "the conversion of a corporation pursuant to a certificate of conversion under this section shall not be deemed to affect any obligations or liabilities of the corporation incurred prior to such conversion or the personal liability of any person incurred prior to such conversion." DEL. CODE ANN. TIT. 8, § 266(d). Moreover, "the corporation shall continue to exist as a limited liability company . . . ." DEL. CODE ANN. TIT. 8, § 266(e).

SBCT is also a corporation incorporated in Delaware and a wholly-owned subsidiary of SBC. By Order dated May 22, 2000 in Docket Number 00-00025, the TRA granted SBCT authority to provide facilities-based and resold competitive local and interexchange telecommunications services throughout the State of Tennessee.

## 2. Description of the Transactions

SBC's internal restructuring involves organization of its operations around related business units instead of regions and simplification of its corporate structure. The transactions will not change the nature and quality of the telecommunications services currently provided to customers of SBCT and SBCLD. However, when the transactions are completed there will be only one SBC affiliate providing service in Tennessee, i.e. SBCLD LLC. The restructuring and transfer will be effective on or about March 31, 2005.

Step 1. SBC will contribute the stock of SBCLD to SBCT. Thus, SBCT will own SBCLD. The ultimate control will remain with SBC because SBC will continue

to own SBCT. This step does not require approval because there is no ultimate change of control.

Step 2. SBCLD will convert from a corporation to a limited liability company and become SBCLD LLC. As stated above, under Delaware law the conversion does not affect the liabilities and assets of the entity and therefore does not result in a transfer of the entity's assets. Similarly, under Tennessee law a corporation that is converted to a limited liability company shall be deemed for all purposes the same entity that existed before the conversion. T.C.A. 48-21-112. Since the legal entity is the same as before the conversion, no transfer of the certificate or other assets of SBCLD is required and no approval is required for this step.

Step 3. SBCT will transfer all of its assets, including its CCN granted by the TRA in Docket Number 00-00025, to SBCLD LLC. This transaction requires approval pursuant to T.C.A. § 65-4-112.

SBCLD and SBCT have the same authority to provide facilities-based and resold local exchange services telecommunications services in Tennessee. The only difference between the authority of SBCT and SBCLD is that SBCT has authority to provide both facilities-based and resold intrastate long distance services and SBCLD has authority to provide resold long distance only. The converted company, SBCLD LLC, wishes to maintain the broader authority which includes facilities-based and resale authority for local and long distance telecommunications services. Thus, as a part of the approval of the transaction, the Petitioners request

cancellation of the SBCLD CCN, and SBCLD, LLC will operate under the former CCN of SBCT.

Step 4. SBC will contribute the stock of SBCT (which will own SBCLD LLC) to SBC Teleholdings, Inc., a Delaware corporation and a wholly-owned subsidiary of SBC ("SBC Teleholdings"). SBC will own 100% of the stock of SBC Teleholdings; SBC Teleholdings will own 100% of the stock of SBCT; SBCT will own 100% of the membership interests in SBCLD LLC; and SBCLD LLC will own the CCN and provide the services formerly provided by SBCT and SBCLD. There will be no change in the ultimate control of the operating authority, only the indirect control will change. The Petitioners do not believe the indirect change in control requires approval from the TRA. However, to the extent such indirect change in control requires notice to or approval from the TRA, the Petitioners hereby give or request same as applicable. Further, if the TRA deems approval is required for any other step of the transaction for which Petitioners believe approval is not required, then Petitioners hereby request such approval.

Attached as Exhibit 1 are organizational charts which show the corporate structure before and after the restructuring.

SBCLD LLC will assume the existing customer contracts of SBCT and will continue the customer contracts of SBCLD and provide service in the same manner as SBCT and SBCLD. The change will be seamless to customers. However, the Petitioners intend to provide the attached notice of the transfer to SBCT's customers, which is consistent with TRA Rule 1220-4-2-.56(2)(d). See Exhibit 2.

SBCLD LLC intends to assume the interconnection agreements of SBCT.

3. Qualifications of the Converted Company

SBCLD LLC is the same entity as SBCLD. SBCLD LLC has the financial, managerial, and technical qualifications to provide the service currently provided by SBCT as evidenced by the authority granted to SBCLD on July 23, 2004 in Docket Number 04-00069 and the authority granted on July 9, 1997 in the dockets referenced in Section 1 of this Petition.

4. Public Interest

Granting of the requested approval is in the public interest. The proposed transactions are being undertaken in furtherance of a more efficient corporate structure, which the Petitioners believe is in the public interest.




Conclusion

For the forgoing reasons, the Petitioners respectfully request that the Petition for approval of transfer of assets and restructuring be approved. The Petitioners respectfully request that the approval occur by February 1, 2005 and that the transfer of the CCN of SBCT be effective as of the date of the closing, which will be on or about March 31, 2005.

Respectfully submitted,

Southwestern Bell Communications  
Services Inc. d/b/a SBC Long Distance

SBC Telecom, Inc.

By: 

D. Billye Sanders  
Waller Lansden Dortch & Davis  
511 Union Street  
Suite 2700  
Nashville, TN 37209  
Telephone: (615) 244-6380  
Facsimile: (615) 244-6804

Attorney for the Petitioners

## **List of Exhibits**

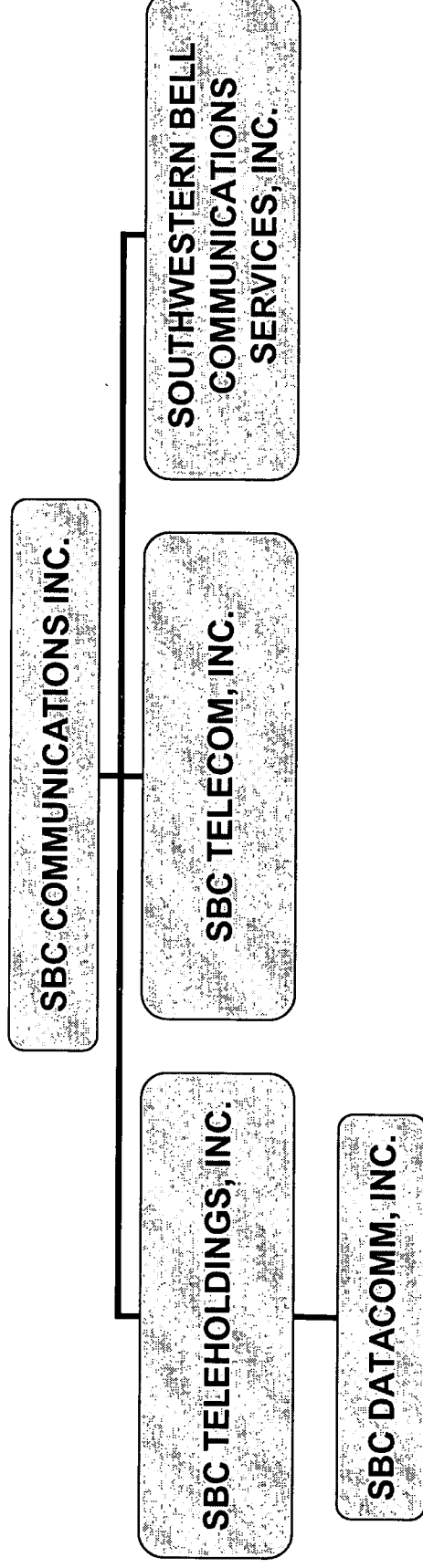
Exhibit 1- Organizational Charts before and after the restructuring

Exhibit 2- Notice to Customers of SBCT

# **SBC COMMUNICATIONS INC. PRE-RESTRUCTURING ORGANIZATION**

**AS OF OCTOBER 1, 2004**

(ORGANIZATION CHART ONLY INCLUDES SUBSIDIARIES THAT ARE IMPACTED BY THIS RESTRUCTURING. UNAFFECTED SUBSIDIARIES ARE NOT DISPLAYED.)

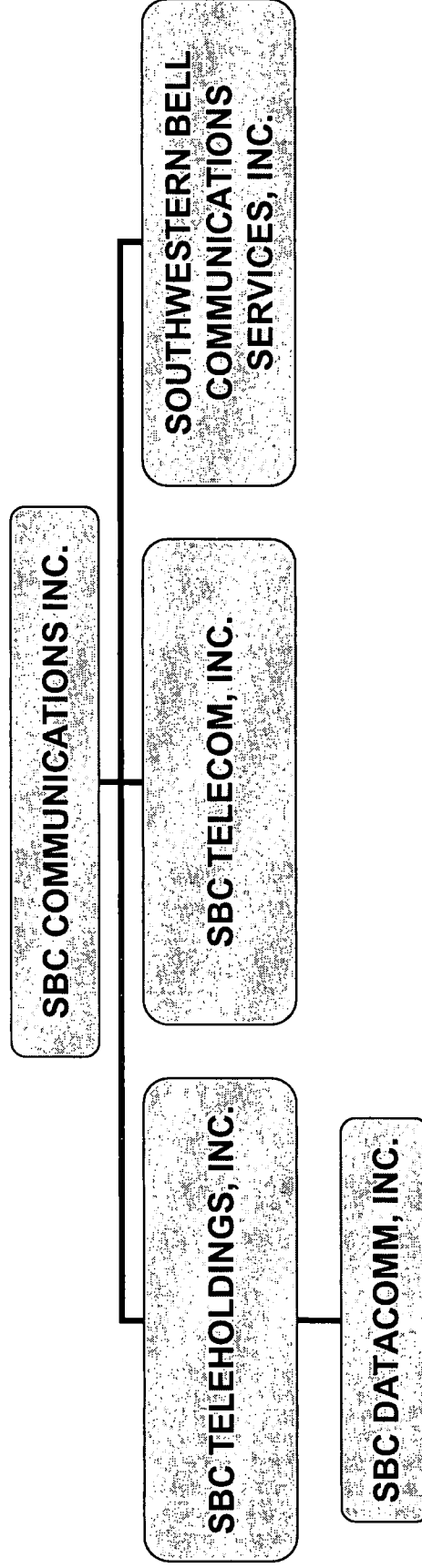


# **SBC COMMUNICATIONS INC.**

## **PRE-RESTRUCTURING ORGANIZATION**

AS OF OCTOBER 1, 2004

(ORGANIZATION CHART ONLY INCLUDES SUBSIDIARIES THAT ARE IMPACTED BY THIS RESTRUCTURING. UNAFFECTED SUBSIDIARIES ARE NOT DISPLAYED.)

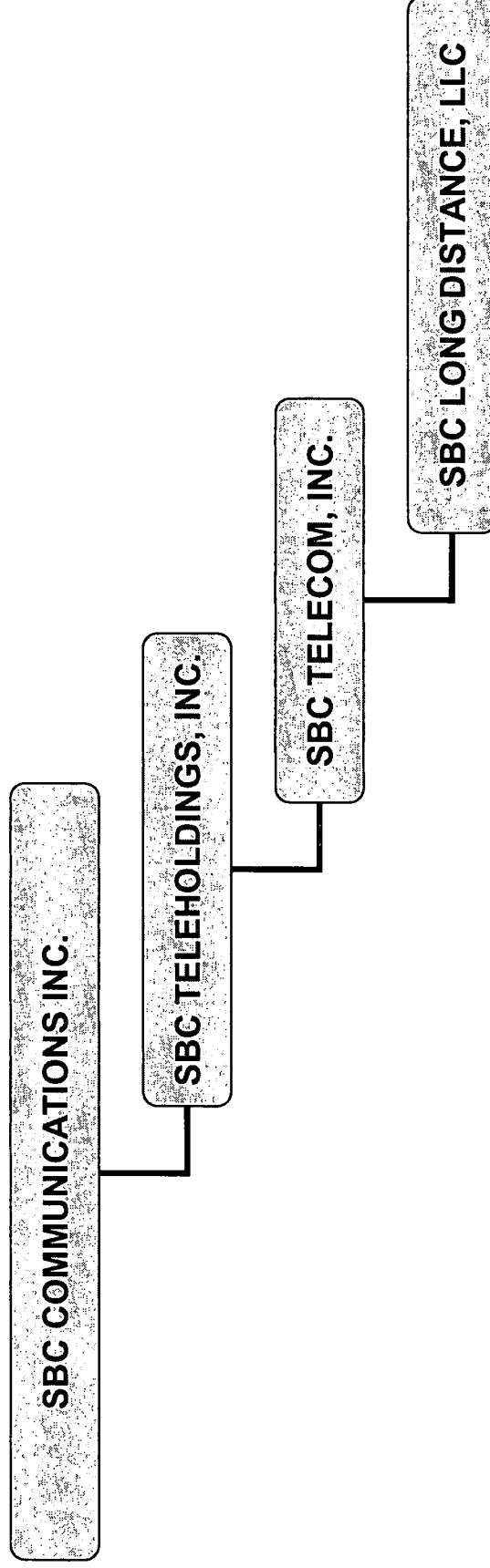


# **SBC COMMUNICATIONS INC.**

## **POST-RESTRUCTURING ORGANIZATION**

**AS OF OCTOBER 1, 2004**

(ORGANIZATION CHART ONLY INCLUDES SUBSIDIARIES THAT ARE IMPACTED BY THIS RESTRUCTURING. UNAFFECTED SUBSIDIARIES ARE NOT DISPLAYED.)



[TELECOM LOGO]

[SBC LONG DISTANCE LLC  
LOGO]

[date]

Billing Name  
Billing Address  
Billing City, ST Zip

Re      Service Address  
         Service City, State

Dear Valued (Business) Customer

As you know, SBC Telecom, Inc. ("Telecom") has been your provider for local telephone service. Recently, Telecom announced its intention to transfer its assets to its affiliate SBC Long Distance LLC ("SBC Long Distance"). Under the terms of the agreement, effective March 31, 2005, the anticipated closing date of the transfer, SBC Long Distance will replace Telecom as your local service provider.

Please rest assured that the transition of your service to SBC Long Distance will not affect the services you currently receive from Telecom. As a customer of SBC Long Distance, you will continue to receive local services with the same rates, features, terms and conditions as you currently enjoy.

If you live in the state of Tennessee, we are required to give you 30 days notice if there will be any rate increases or major product changes to your account within 90 days of the transfer of your account. At this time, we do not anticipate any such changes. You should not be charged any carrier-change charges levied by your local telephone company. If, however, such a charge does appear on your bill as a result of this transfer, please call SBC Long Distance's customer number below, and you will be reimbursed or your account will be credited accordingly.

Additionally, you will continue to receive top quality with performance which meets or exceeds that of what you currently receive from Telecom. This change in providers will be beneficial and virtually seamless for you. Please also be assured that you will not incur charges related to the transfer of your services to SBC Long Distance.

There is no action required on your part. You may, of course, choose another provider for your local telephone service, subject to any restrictions in your service arrangement with Telecom. Unless you choose another service provider, you will automatically become a customer of SBC Long Distance. Any preferred carrier freezes in place will be automatically lifted, and will be reinstated at no charge once the merger is complete.

We in the SBC family look forward to serving you and appreciate your continued business. In the meantime, if you have specific questions about this notice, please contact us toll free at 877-430-7228 (Customer # is 1-877-430-7228).

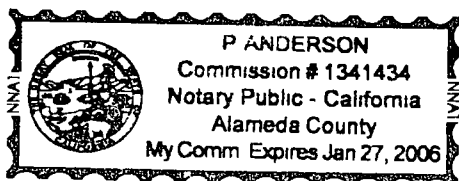
Sincerely,

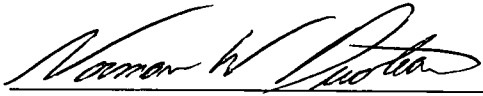
SBC Telecom, Inc  
SBC Long Distance LLC

# VERIFICATION

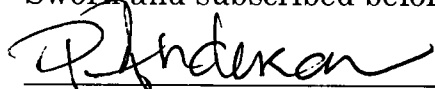
STATE OF California )  
 )  
COUNTY OF Alameda )

I, Norman W. Descoteaux, being duly sworn, state that I am an authorized representative of Southwestern Bell Communications Services, Inc. d/b/a SBC Long Distance ("SBCLD"), one of the Petitioners in the foregoing Joint Petition, that I am authorized to make this verification on behalf of SBCLD, that I have read the foregoing Petition and Exhibits and know the content thereof and that the same are true and correct to the best of my knowledge, information and belief.



  
Norman W. Descoteaux  
Associate Director-Regulatory

Sworn and subscribed before me this 14 day of October, 2004.

  
Notary Public

My Commission Expires: Jan. 27, 2006

VERIFICATION

STATE OF Texas )  
COUNTY OF Bexar )

I, Steve Strickland, being duly sworn, state that I am an authorized representative of SBC Telecom, Inc. ("SBCT"), one of the Petitioners in the foregoing Joint Petition, that I am authorized to make this verification on behalf of SBCT, that I have read the foregoing Petition and Exhibits and know the content thereof and that the same are true and correct to the best of my knowledge, information and belief.

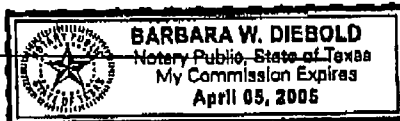


Steve Strickland  
General Counsel

Sworn and subscribed before me this 15<sup>th</sup> day of October, 2004.

Barbara W. Diebold  
Notary Public - St of TX

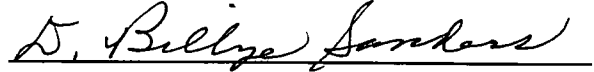
My Commission Expires:





## CERTIFICATE OF SERVICE

I hereby certify that on this 15<sup>th</sup> day of October 2004, a true and correct copy of the foregoing document was delivered by hand delivery or U.S. mail postage prepaid to the other Counsel of Record listed below.

  
D. Billye Sanders, Esq.

Russell Perkins  
Assistant Attorney General  
Office of Attorney General  
Consumer Advocate and Protection Division  
2nd Floor  
425 5<sup>th</sup> Avenue North  
Nashville, TN 37243-0491

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